

NEIGHBORHOOD ENTERPRISE ZONE TAX ABATEMENT PROCESS

P.A. 147 of 1992

Instructions for Applicants & Local Units

Directions on the Michigan Government Treasury Website: Locating Property Tax Exemption Forms:

www.michigan.gov/treasury

Scroll down to the “Treasury Forms” box and click on:

Property Tax Forms

Property Tax – Abatement/Exemption *

* Act 198 Industrial Facilities - Water and Air Pollution Control – Act 328 New Personal Property – Act 146 Obsolete Property Rehabilitation – Act 147 Neighborhood Enterprise Zone Exemption Packets are available on the Abatement/Exemption web page.

Directly to Forms:

Act 198 – IFT Application:	www.michigan.gov/documents/1012f_2637_7.pdf
Act 451 – Water Pollution:	www.michigan.gov/documents/891_fillable_62195_7.pdf
Act 451 – Air Pollution: **	www.michigan.gov/documents/3828f_2641_7.pdf
Act 146 – Obsolete Property:	www.michigan.gov/documents/3674f_2640_7.pdf
Act 328 – New Personal Property:	www.michigan.gov/documents/3427f_2639_7.pdf
Act 147 – Neighborhood Enterprise:	www.michigan.gov/documents/2704_44158_7.pdf
Act 198 – Tax Report Form 170:	www.michigan.gov/documents/Form170_82854_7.xls
IFT Supplemental Information:	www.michigan.gov/treasury/0,1607,7-121-1748_1876_1907-84835--,00.html

** For assistance in completing the air pollution control tax exemption application please refer to the Department of Environmental Quality Tax Exemptions for Air Pollution Control Application Procedures and Guidance Document at the following web address.

www.deq.state.mi.us/documents/DEQ-AQD-Tax_exemption_application_guidance_document.pdf

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of P.A. 147 of 1992, as amended.

INSTRUCTIONS: Read this form before completing application. **This application must be filed prior to building permit issuance and start of construction. File initially one original and two copies of this form.** File all additional required attachments (**three complete sets**) when completed with the clerk of the local government unit.

To be Completed by Clerk of Local Government Unit		City or Township Name	Local Unit Code
Signature		Address of Clerk	
Date Received	Application Number	State Tax Commission Use Only	

Applicant, Do Not Write Above This Line. Begin Entries at 1 Below.

1. Applicant Name			
2. Location of Facility (No. and Street, City, State, ZIP)		3. County	School Code
4. Applicant's Mailing Address (No. and Street, City, State, ZIP)		5. School District	
6. Type of Approval Required <input type="checkbox"/> New Facility <input type="checkbox"/> Rehabilitation		7. How Many Years Approval Requested	
8. Is Building Owned or Rented by the Occupant? <input type="checkbox"/> Owned <input type="checkbox"/> Rented		9. Type of Property <input type="checkbox"/> House <input type="checkbox"/> Duplex <input type="checkbox"/> Apartment - Number of Units <input type="checkbox"/> Condo	
10. Name of Governing Body That Established District	11. Name and Number Assigned to Neighborhood Enterprise Zone		12. Date District Established
13. Was the Work Completed by <input type="checkbox"/> Licensed Contractor <input type="checkbox"/> Other _____	14. Total Project Cost <input type="checkbox"/> Actual <input type="checkbox"/> Estimated		15. Investment Cost (Breakdown in #17) \$
16. Timetable for Undertaking and Completing the Rehabilitation or Construction of the Facility			
17. Describe the General Nature and Extent of the Rehabilitation or New Construction to be Undertaken and Breakdown of Investment Cost (use attachments if necessary)			
18. Rehabilitation Applicants Only: Attach Assessor's Statement (See required attachment number 5 below)			18a. Taxable Value of Real Property \$
19. Who should be contacted if more information is required to act on this application?	Name		
	Address (No. and Street, City, State, ZIP)		
	Title	Telephone Number	

Required Attachments to Provide when Project is Complete:

1. Legal description of the real property with parcel code number of the property.
2. Proof of date of commencement of construction.
3. Certificate of occupancy.
4. Resolution approving the application.

IN ADDITION TO 1 - 4 SUBMIT 5 and 6 FOR REHABILITATION APPLICATIONS ONLY.

5. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.
6. Certification by the local building official, certifying that the building meets minimum building codes for the local unit. A rehabilitation certificate will not be issued until this certification is filed with the State of Michigan.

APPLICANT'S CERTIFICATION

The undersigned owner making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the residential real property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provision of P.A. 147 of 1992, being Sections 207.771 to 207.787, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, he/she has complied or will comply with all of the requirements thereof which are necessary to the issuance of a Neighborhood Enterprise Zone Certificate.

Print Name of Owner	Title	
Signature		Date

LOCAL GOVERNMENT ACTION

<input type="checkbox"/> APPROVED FOR 12 YEARS	
Name of Local Government Unit	Date of Action on This Application

Attached hereto is a copy of the resolution showing the action taken by the above-named local government unit on this application.

Signature of Clerk	Date
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INSTRUCTIONS FOR THE LOCAL GOVERNMENT UNIT

The local government unit must act, by resolution, on this application no more than 60 days after receiving it. The clerk shall forward the exemption application to the State Tax Commission immediately.

If an applicant is a builder/developer of this facility, a certificate will not be issued until a single family owner/occupant files an application and the additional required attachments.

If you have any questions, call (517) 373-0675 or (517) 373-3302.

Submit Completed Forms to:
 Property Tax Division
 Michigan Department of Treasury
 P.O. Box 30471
 Lansing, Michigan 48909-7971

ELIGIBLE DISTRESSED AREAS

Public Act 346, Chapter One, Section 11, as amended, defines an “eligible distressed area” as one or more of the following:

1. **Community Wide:**

A community which meets all of the following requirements (formula allocation):

- A. The municipality shows a negative population change from 1970 to the date of the most recent federal decennial census.
- B. The municipality shows an overall increase in the state equalized value of real and personal property of less than the statewide average increase since 1972.
- C. The municipality has a poverty rate, as defined by the most recent decennial census, greater than the statewide average.
- D. The municipality has had an unemployment rate higher than the statewide average unemployment rate for three of the preceding five years (Section 11(u)(ii)).

2. **Blighted Areas Within a Community:**

An area located in a city with a population of at least 10,000 which is either designated as a “blighted area” by a local legislative body or which is determined by the Authority to be blighted or largely vacant by reason of clearance or blight. If the Authority designates the area as blighted, it must determine that private enterprise has failed to provide a supply of adequate, safe, and sanitary dwellings sufficient to meet market demand. In addition, the city must approve the changes in income limits that are associated with this designation by either a resolution or written communication from the higher legislative body of the city or the mayor (Section 11(u)(i)(B)).

3. **Neighborhood Enterprise Zone Qualified Communities:**

An area located in a local unit of government certified by the Michigan Enterprise Zone Authority as meeting the criteria prescribed in Section 2(d) of the Neighborhood Enterprise Zone Act of 1992.

ELIGIBLE DISTRESSED AREAS
January 3, 2005

CITIES

Adrian	Gibraltar	Mt. Clemens
Albion	Gladstone	Mt. Morris
Alma	Grand Haven	Mt. Pleasant
Alpena	Grand Rapids	Muskegon
Ann Arbor	Grayling	Muskegon Heights
Bangor	Hamtramck	Norton Shores
Battle Creek	Harbor Beach	Norway
Bay City	Harper Woods	Oak Park
Benton Harbor	Hart	Omer
Bessemer	Hartford	Onaway
Big Rapids	Hazel Park	Owosso
Bronson	Highland Park	Pinconning
Burton	Holland	Pontiac
Cadillac	Inkster	Port Huron
Carson City	Ionia	Portage
Caspian	Ironwood	River Rouge
Center Line	Iron Mountain	Saginaw
Cheboygan	Iron River	Sault Ste. Marie
Coldwater	Ishpeming	Southfield
Coleman	Jackson	St. Louis
Crystal Falls	Kalamazoo	Sturgis
Dearborn	Lansing	Taylor
Dearborn Heights	Lincoln Park	Three Rivers
Detroit	Livonia	Traverse City
Dowagiac	Ludington	Trenton
East Lansing	Manistee	Vassar
Eastpointe	Manistique	Wakefield
Ecorse	Marquette	Warren
Escanaba	Melvindale	Wayne
Ferndale	Menominee	Wyandotte
Flint	Midland	Wyoming
Gaastra	Monroe	Ypsilanti

Village of Baldwin

TOWNSHIPS

Benton (Berrien)
Buena Vista (Saginaw)
Calumet (Houghton)
Carp Lake (Ontonagon)
Carrollton (Saginaw)
Champion (Marquette)
Columbia (Tuscola)
Duncan (Houghton)
Elba (Gratiot)

Elmwood (Tuscola)
Emerson (Gratiot)
Genesee (Genesee)
Marlette (Sanilac)
Minden (Sanilac)
Montrose (Genesee)
Mt. Morris (Genesee)
Oscoda (Iosco)
Pulawski (Presque Isle)

Redford (Wayne)
Royal Oak (Oakland)
Sebewaing (Huron)
Sheridan (Calhoun)
Spaulding (Saginaw)
Turner (Arenac)
Wisner (Tuscola)

122 EDAs, 96 Cities, 25 Townships, 1 Village

NEIGHBORHOOD ENTERPRISE ZONE ACT

Act 147 of 1992

AN ACT to provide for the development and rehabilitation of residential housing; to provide for the creation of neighborhood enterprise zones; to provide for obtaining neighborhood enterprise zone certificates for a period of time and to prescribe the contents of the certificates; to provide for the exemption of certain taxes; to provide for the levy and collection of a specific tax on the owner of certain facilities; and to prescribe the powers and duties of certain officers of the state and local governmental units.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

The People of the State of Michigan enact:

207.771 Short title.

Sec. 1. This act shall be known and may be cited as the "neighborhood enterprise zone act".

History: 1992, Act 147, Imd. Eff. July 16, 1992.

Compiler's note: For transfer of powers and duties of Michigan enterprise authority to the chief executive officer of Michigan jobs commission, see E.R.O. No. 1994-8, compiled at § 408.47 of the Michigan Compiled Laws.

207.772 Definitions.

Sec. 2. As used in this act:

- (a) "Commission" means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.
- (b) "Condominium unit" means that portion of a structure intended for separate ownership, intended for residential use, and established pursuant to the condominium act, 1978 PA 59, MCL 559.101 to 559.276. Condominium units within a qualified historic building may be held under common ownership.
- (c) "Developer" means a person who is the owner of a new facility at the time of construction or of a rehabilitated facility at the time of rehabilitation for which a neighborhood enterprise zone certificate is applied for or issued.
- (d) "Local governmental unit" means a qualified local governmental unit as that term is defined under section 2 of the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782.
- (e) "New facility" means a new structure or a portion of a new structure that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is or will be occupied by an owner as his or her principal residence. New facility includes a model home or a model condominium unit. New facility includes a new individual condominium unit, in a structure with 1 or more condominium units, that has as its primary purpose residential housing and that is or will be occupied by an owner as his or her principal residence. New facility does not include apartments.
- (f) "Neighborhood enterprise zone certificate" or "certificate" means a certificate issued pursuant to sections 4, 5, and 6.
- (g) "Owner" means the record title holder of, or the vendee of the original land contract pertaining to, a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is applied for or issued.
- (h) "Qualified historic building" means a property within a neighborhood enterprise zone that has been designated a historic resource as defined under section 266 of the income tax act of 1967, 1967 PA 281, MCL 206.266.
- (i) "Rehabilitated facility" means an existing structure or a portion of an existing structure with a current true cash value of \$80,000.00 or less per unit that has or will have as its primary purpose residential housing, consisting of 1 to 8 units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$5,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$7,500.00 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit or \$4,500.00 per nonowner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards. Rehabilitated facility also includes an individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above described improvements. Rehabilitated facility also includes existing or proposed condominium units in a qualified historic building with 1 or more existing or proposed condominium units. Rehabilitated facility does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss. A qualified historic building may contain multiple rehabilitated facilities.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 2001, Act 217, Imd. Eff. Dec. 28, 2001;—Am. 2004, Act 396, Imd. Eff. Oct. 15, 2004.

207.773 Neighborhood enterprise zone; designation by resolution; notice; finding of consistency; statement; housing inspection ordinance; public hearing; determining true cash value; limitations on total acreage; passage, amendment, or repeal of resolution.

Sec. 3. (1) The governing body of a local governmental unit by resolution may designate 1 or more neighborhood enterprise zones within that local governmental unit. A neighborhood enterprise zone shall contain not less than 10 platted parcels of land. All the land within a neighborhood enterprise zone shall also be compact and contiguous. Contiguity is not broken by a road, right-of-way, or property purchased or taken under condemnation if the purchased or condemned property was a single parcel prior to the sale or condemnation.

(2) The total acreage of the neighborhood enterprise zones designated under this act shall not exceed 15% of the total acreage contained within the boundaries of the local governmental unit.

(3) Not less than 60 days before the passage of a resolution designating a neighborhood enterprise zone or the repeal or amendment of a resolution under subsection (5), the clerk of the local governmental unit shall give written notice to the assessor and to the governing body of each taxing unit that levies ad valorem property taxes in the proposed neighborhood enterprise zone. Before acting upon the resolution, the governing body of the local governmental unit shall make a finding that a proposed neighborhood enterprise zone is consistent with the master plan of the local governmental unit and the neighborhood preservation and economic development goals of the local governmental unit. The governing body before acting upon the resolution shall also adopt a statement of the local governmental unit's goals, objectives, and policies relative to the maintenance, preservation, improvement, and development of housing for all persons regardless of income level living within the proposed neighborhood enterprise zone. Additionally, before acting upon the resolution, the governing body of a local governmental unit with a population greater than 20,000 shall pass a housing inspection ordinance. A local governmental unit with a population of 20,000 or less may pass a housing inspection ordinance. Before the sale of a unit in a new or rehabilitated facility for which a neighborhood enterprise zone certificate is in effect, an inspection shall be made of the unit to determine compliance with any local construction or safety codes and that a sale may not be finalized until there is compliance with those local construction or safety codes. The governing body shall hold a public hearing not later than 45 days after the date the notice is sent but before acting upon the resolution.

(4) Upon receipt of a notice under subsection (3), the assessor shall determine and furnish to the governing body of the local governmental unit the amount of the true cash value of the property located within the proposed neighborhood enterprise zone and any other information considered necessary by the governing body.

(5) A resolution designating a neighborhood enterprise zone, other than a zone designated under subsection (2), may be repealed or amended not sooner than 3 years after the date of adoption or of the most recent amendment of the resolution by the governing body of the local governmental unit. The repeal or amendment of the resolution shall take effect 6 months after adoption. However, an action taken under this subsection does not invalidate a certificate that is issued or in effect and a facility for which a certificate is issued or in effect shall continue to be included in the total acreage limitations under this section until the certificate is expired or revoked.

(6) Upon passage, amendment, or repeal of a resolution under this section, the clerk of the local governmental unit shall notify the commission of the action taken.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 2001, Act 217, Imd. Eff. Dec. 28, 2001;—Am. 2004, Act 396, Imd. Eff. Oct. 15, 2004.

207.774 Neighborhood enterprise zone certificate; application; filing; manner and form; contents; effective date of certificate.

Sec. 4. (1) The owner or developer or prospective owner or developer of a proposed new facility or an owner or developer or prospective developer proposing to rehabilitate property located in a neighborhood enterprise zone may file an application for a neighborhood enterprise zone certificate with the clerk of the local governmental unit. The application shall be filed in the manner and form prescribed by the commission. Except as provided in subsection (2), the application shall be filed before a building permit is issued for the new construction or rehabilitation of the facility.

(2) An application may be filed after a building permit is issued only if 1 or more of the following apply:

(a) For the rehabilitation of a facility if the area in which the facility is located is designated as a neighborhood enterprise zone by the governing body of the local governmental unit in the calendar year 1992

and if the building permit is issued for the rehabilitation before December 31, 1994 and after the date on which the area in which the facility is located was designated as a neighborhood enterprise zone by the governing body of the local governmental unit.

(b) For the construction of a new facility if the area in which the new facility is located is designated as a neighborhood enterprise zone by the governing body of the local governmental unit in calendar year 1992 or 1993 and if the building permit is issued for that new facility before December 31, 1995 and after January 1, 1993.

(c) For the construction of a new facility if the area in which the new facility is located is designated as a neighborhood enterprise zone by the governing body of the local governmental unit in July 1997 and if the building permit is issued for that new facility on February 3, 1998.

(d) For a new facility or a rehabilitated facility if the area in which the new facility or rehabilitated facility is located was designated as a neighborhood enterprise zone by the governing body of the local governmental unit in July 1996 and if the building permit was issued for that facility on or before July 3, 2001.

(e) For a new facility or a rehabilitated facility if the area in which the new facility or rehabilitated facility is located was designated as a neighborhood enterprise zone by the governing body of the local governmental unit in October 1994 and if the building permit was issued for that facility on or before April 25, 1997.

(f) For the construction of a new facility if the area in which the new facility is located is designated as a neighborhood enterprise zone by the governing body of the local governmental unit in September 2001 and if the building permit is issued for that new facility on March 3, 2003.

(g) For a rehabilitated facility if all or a portion of the rehabilitated facility is a qualified historic building.

(h) For the construction of a new facility if the area in which the new facility is located is designated as a neighborhood enterprise zone by the governing body of the local governmental unit in July 1993 and the new facility was a model home.

(3) The application shall contain or be accompanied by all of the following:

(a) A general description of the new facility or proposed rehabilitated facility.

(b) The dimensions of the parcel on which the new facility or proposed rehabilitated facility is or is to be located.

(c) The general nature and extent of the construction to be undertaken.

(d) A time schedule for undertaking and completing the rehabilitation of property or the construction of the new facility.

(e) Any other information required by the local governmental unit.

(4) Notwithstanding any other provisions of this act, for any certificate issued as a result of the enactment of the amendatory act that added subsection (2)(c), the effective date of the certificate shall be the first day of the tax year following the year the certificate is approved by the commission.

(5) Notwithstanding any other provisions of this act, for any certificate issued as a result of the enactment of the amendatory act that added subsection (2)(d) or the amendatory act that added subsection (2)(e), the effective date of the certificate shall be January 1, 2001.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 1994, Act 391, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 242, Imd. Eff. June 12, 1996;—Am. 2001, Act 93, Imd. Eff. July 30, 2001;—Am. 2002, Act 608, Imd. Eff. Dec. 20, 2002;—Am. 2003, Act 199, Imd. Eff. Nov. 14, 2003;—Am. 2004, Act 60, Imd. Eff. Apr. 12, 2004;—Am. 2004, Act 396, Imd. Eff. Oct. 15, 2004.

207.775 Neighborhood enterprise zone certificate; application; approval.

Sec. 5. Not more than 60 days after receipt by its clerk of an application under section 4, the governing body of the local governmental unit by resolution shall approve the application for a neighborhood enterprise zone certificate. The clerk shall forward the application to the commission.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.776 New or rehabilitated facility; determination of compliance with act; issuance and filing of certificate; maintenance of record; notice of refusal.

Sec. 6. Not later than 60 days after receipt of an approved application for a rehabilitated facility, and not later than 30 days, or if an approved application is received after October 31, not later than 45 days after receipt of an approved application for a new facility, the commission shall determine whether the new facility or rehabilitated facility complies with the requirements of this act. If the commission finds compliance, it shall issue a neighborhood enterprise zone certificate to the applicant and send a certified copy of the certificate to the assessor of the local governmental unit and each affected taxing unit. The assessor shall keep the certificate filed on record in his or her office. The commission shall maintain a record of all certificates filed. Notice of the commission's refusal to issue a certificate shall be sent by certified mail to the same persons.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.777 Neighborhood enterprise zone certificate; requirements for issuance.

Sec. 7. (1) The commission shall not issue a neighborhood enterprise zone certificate for a new facility unless the new facility meets the requirements of the definition in section 2(e).

(2) The commission shall not issue a neighborhood enterprise zone certificate for a rehabilitated facility unless the rehabilitated facility meets the requirements of the definition in section 2(h).

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.778 Neighborhood enterprise zone certificate; form and contents.

Sec. 8. A neighborhood enterprise zone certificate shall be in the form prescribed and provided by the commission and shall include the following:

(a) A legal description of the real property on which the new facility is to be located or the legal description of the rehabilitated property.

(b) A statement that unless revoked under this act, the certificate shall remain in effect for the period stated in the certificate.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.779 Neighborhood enterprise zone tax; exemption from ad valorem real property taxes; determination of amount; payment; disbursement; distribution to intermediate school districts; payment to state treasury; tax as lien; continuance of certificate; condition; collection as delinquent tax; facility located in renaissance zone.

Sec. 9. (1) Except as provided in subsection (10), there is levied on the owner of a new facility or a rehabilitated facility to which a neighborhood enterprise zone certificate is issued a specific tax known as the neighborhood enterprise zone tax.

(2) A new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is in effect, but not the land on which the facility is located, is exempt from ad valorem real property taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(3) The amount of the neighborhood enterprise zone tax on a new facility is determined each year by multiplying the taxable value of the facility, not including the land, by 1 of the following:

(a) For property that would otherwise meet the definition of a principal residence under section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd, if that property was not exempt from ad valorem property taxes under this act, 1/2 of the average rate of taxation levied in this state in the immediately preceding calendar year on a principal residence and qualified agricultural property as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd. However, in 1994 only, the average rate of taxation shall be the average rate of taxation levied in 1993 upon all property in this state upon which ad valorem taxes are assessed.

(b) For property that is not a principal residence under section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd, 1/2 of the average rate of taxation levied upon commercial, industrial, and utility property upon which ad valorem taxes are assessed as determined for the immediately preceding calendar year by the state board of assessors under section 13 of 1905 PA 282, MCL 207.13. However, in 1994 only, the average rate of taxation shall be the average rate of taxation levied in 1993 upon all property in this state upon which ad valorem taxes are assessed.

(4) The amount of the neighborhood enterprise zone tax on a rehabilitated facility is determined each year by multiplying the taxable value of the rehabilitated facility, not including the land, for the tax year immediately preceding the effective date of the neighborhood enterprise zone certificate by the total mills collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, for the current year by all taxing units within which the rehabilitated facility is located.

(5) The neighborhood enterprise zone tax is an annual tax, payable at the same times, in the same installments, and to the same officer or officers as taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, are payable. Except as otherwise provided in this section, the officer or officers shall disburse the neighborhood enterprise zone tax received by the officer or officers each year to the state, cities, townships, villages, school districts, counties, and authorities at the same times and in the same proportions as required for the disbursement of taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. To determine the proportion for the disbursement of taxes under this subsection and for attribution of taxes under subsection (7) for taxes collected after June 30, 1994, the number of mills levied for local school district operating purposes to be used in the calculation shall equal the number of mills levied for local school district operating purposes levied in 1993 minus the number of mills levied under the state

education tax act, 1993 PA 331, MCL 211.901 to 211.906, for the year for which the disbursement is calculated.

(6) An intermediate school district receiving state aid under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount that would otherwise be disbursed to or retained by the intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, shall be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963. If and for the period that the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, is amended or its successor act is enacted or amended to include a provision that provides for adjustments in state school aid to account for the receipt of revenues provided under this act in place of exempted ad valorem property tax, revenues required to be remitted or returned to the state treasury to the credit of the state school aid fund shall be distributed instead to the intermediate school districts. If the sum of any industrial facility tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial facilities tax levied under the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, and the neighborhood enterprise zone tax paid to the state treasury to the credit of the state school aid fund that would otherwise be disbursed to the intermediate school district exceeds the amount received by the intermediate school district under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, the department of treasury shall allocate to each eligible intermediate school district an amount equal to the difference between the sum of the industrial facility tax, the commercial facilities tax, and the neighborhood enterprise zone tax paid to the state treasury to the credit of the state school aid fund and the amount the intermediate school district received under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681.

(7) For neighborhood enterprise zone taxes levied after 1993 for school operating purposes, the amount that would otherwise be disbursed to a local school district shall be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(8) The officer or officers shall send a copy of the amount of disbursement made to each unit under this section to the commission on a form provided by the commission. The neighborhood enterprise zone tax is a lien on the real property upon which the new facility or rehabilitated facility subject to the certificate is located until paid. The continuance of a certificate is conditional upon the annual payment of the neighborhood enterprise zone tax and the ad valorem tax on the land collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(9) If payment of the tax under this act is not made by the March 1 following the levy of the tax, the tax shall be turned over to the county treasurer and collected in the same manner as a delinquent tax under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(10) A new facility or a rehabilitated facility located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the neighborhood enterprise zone tax levied under this act to the extent and for the duration provided pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of the neighborhood enterprise zone tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. The neighborhood enterprise zone tax calculated under this subsection shall be disbursed proportionately to the local taxing unit or units that levied the special assessment or the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 1994, Act 369, Imd. Eff. Dec. 27, 1994;—Am. 1996, Act 449, Imd. Eff. Dec. 19, 1996;—Am. 2001, Act 217, Imd. Eff. Dec. 28, 2001;—Am. 2003, Act 127, Eff. Jan. 1, 2004.

207.780 Neighborhood enterprise zone certificate; effective date; filing; affidavit of occupancy by owner as principal residence.

Sec. 10. (1) Except as provided in subsections (2) and (3), the effective date of the neighborhood enterprise zone certificate is December 31 in the year in which the new facility or rehabilitated facility is substantially completed and, for a new facility, occupied by an owner as a principal residence, as evidenced by the owner filing with the assessor of the local assessing unit all of the following:

(a) For a new facility, a certificate of occupancy.

(b) For a rehabilitated facility, a certificate that the improvements meet minimum local building code standards issued by the local building inspector or other authorized officer or a certificate of occupancy if required by local building permits or building codes.

(c) For a rehabilitated facility, documentation proving the cost requirements of section 2(h) are met.

(d) For a new facility, an affidavit executed by an owner affirming that the new facility is occupied by an owner as a principal residence.

(2) If a new facility is substantially completed in a year but is not occupied by an owner as a principal residence until the following year, upon the request of the owner, the effective date of the neighborhood enterprise zone certificate shall be December 31 in the year immediately preceding the date of occupancy by the owner as a principal residence.

(3) Upon the request of the owner, the effective date of the neighborhood enterprise zone certificate for a rehabilitated facility shall be December 31 in the year immediately preceding the date on which the rehabilitated facility is substantially completed.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 2001, Act 158, Imd. Eff. Nov. 6, 2001;—Am. 2001, Act 217, Imd. Eff. Dec. 28, 2001.

207.781 Revocation, expiration, or extension of certificate; rescission of revocation.

Sec. 11. (1) Upon receipt of a request by certified mail to the commission by the holder of a neighborhood enterprise zone certificate requesting revocation of the certificate, the commission by order shall revoke the certificate.

(2) The certificate shall expire if the owner fails to complete the filing requirements under section 10 within 2 years of the date the certificate was issued. The holder of the certificate may request in writing to the commission a 1-year automatic extension of the certificate if the owner has proceeded in good faith with the construction or rehabilitation of the facility in a manner consistent with the purposes of this act and the delay in completion or occupancy by an owner is due to circumstances beyond the control of the holder of the certificate. Upon request of the local governmental unit, the commission shall extend the certificate if the new facility has not been occupied.

(3) The certificate for a new facility is automatically revoked if the new facility is no longer a homestead as that term is defined in section 7a of the general property tax act, 1893 PA 206, MCL 211.7a. However, if the owner or any subsequent owner submits a certificate before the revocation is effective, the commission, upon application of the owner, shall rescind the order of revocation. If the certificate is submitted after revocation of the certificate, the commission, upon application of the owner, shall reinstate the certificate for the remaining period of time for which the original certificate would have been in effect.

(4) If the owner of the facility fails to make the annual payment of the neighborhood enterprise zone tax and the ad valorem property tax on the land under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, the commission by order shall revoke the certificate. However, if payment of these taxes is made before the revocation is effective, the commission, upon application of the owner, shall rescind the order of revocation. If payment of these taxes and any subsequent ad valorem property tax due on the facility is made after revocation of the certificate, the commission, upon application of the owner, shall reinstate the certificate for the remaining period of time for which the original certificate would have been in effect.

(5) If a new facility or a rehabilitated facility ceases to have as its primary purpose residential housing, the commission by order shall revoke the certificate for that facility. A new or rehabilitated facility does not cease to be used for its primary purpose if it is temporarily damaged or destroyed in whole or in part.

(6) If the governing body of a local governmental unit determines that a new facility or a rehabilitated facility is not in compliance with any local construction, building, or safety codes and notifies the commission by certified mail of the noncompliance, the commission by order shall revoke the certificate.

(7) The revocation shall be effective beginning the December 31 following the date of the order or, if the certificate is automatically revoked under subsection (3), the December 31 following the automatic revocation. The commission shall send by certified mail copies of the order of revocation to the holder of the certificate, to the local governmental unit in which the facility is located, to the assessor of that local governmental unit, and to the legislative body of each taxing unit that levies taxes upon property in the local governmental unit in which the new facility or rehabilitated facility is located.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 2001, Act 217, Imd. Eff. Dec. 28, 2001.

207.782 Duration of certificate.

Sec. 12. (1) Except as otherwise provided in this section, unless earlier revoked as provided in section 11, a neighborhood enterprise zone certificate shall remain in effect for 6 to 12 years from the effective date of the certificate as determined by the governing body of the local governmental unit. If the new facility or rehabilitated facility is sold or transferred to another owner who otherwise complies with this act and, for a new facility, uses the new facility as a principal residence, the certificate shall remain in effect.

(2) If a rehabilitated facility was sold before December 29, 1994 and a certificate was in effect for that facility at the time of the sale, and the new owner of the rehabilitated facility otherwise complies with this act, the certificate shall be reinstated and remain in effect for the remainder of the original period described in subsection (1), unless earlier revoked under section 11.

(3) Except as provided in subsection (4), a change in ownership of a rehabilitated facility constituting all or a portion of a qualified historic building, occurring after the effective date of a neighborhood enterprise zone certificate for that rehabilitated facility, shall not affect the validity of that neighborhood enterprise zone certificate, and the certificate shall remain in effect for the period specified in this section as long as the rehabilitated facility has as its primary purpose residential housing.

(4) Unless revoked earlier as provided in section 11, a neighborhood enterprise zone certificate in effect for a rehabilitated facility constituting all or a portion of a qualified historic building shall remain in effect for 11 to 17 years from the effective date of the certificate as determined by the governing body of the local governmental unit. However, if a rehabilitated facility constituting all or a portion of a qualified historic building is not transferred or sold to a person who will own and occupy the rehabilitated facility as his or her principal residence within 6 years of the effective date of the neighborhood enterprise zone certificate, the neighborhood enterprise zone certificate is revoked.

History: 1992, Act 147, Imd. Eff. July 16, 1992;—Am. 1994, Act 391, Imd. Eff. Dec. 29, 1994;—Am. 2001, Act 217, Imd. Eff. Dec. 28, 2001;—Am. 2004, Act 396, Imd. Eff. Oct. 15, 2004.

207.783 Determination of assessed valuation of property benefiting from certificate and ad valorem property tax that would have been paid; notice.

Sec. 13. (1) The assessor of each local governmental unit in which is located a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is in effect shall determine annually, with respect to each new facility or rehabilitated facility, the assessed valuation of the property comprising the facility having the benefit of a neighborhood enterprise zone certificate and the amount of ad valorem property tax that would have been paid with respect to each new facility and rehabilitated facility under the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, if the certificate had not been in force, and the assessed valuation on which the neighborhood enterprise zone tax is based for a rehabilitated facility. A holder of a certificate shall furnish to the assessor the information necessary for the determination.

(2) After making the determinations under subsection (1), the assessor shall send annually notification of those determinations to the Michigan enterprise zone authority and the governing body of each taxing unit that levies taxes upon property in the local governmental unit in which the new facility or rehabilitated facility is located and the holder of the certificate for which the determination is made. The notice shall be sent by certified mail not later than October 15 and shall be based upon the valuation as of the immediately preceding December 31.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.784 List of local governmental units certified as meeting criteria.

Sec. 14. The Michigan enterprise zone authority created under the enterprise zone act, Act No. 224 of the Public Acts of 1985, being sections 125.2101 to 125.2122 of the Michigan Compiled Laws, shall publish a list of local governmental units the Michigan enterprise zone authority certifies as meeting the criteria in section 2(d) not later than 30 days after the effective date of this act and additional local governmental units meeting the criteria in section 2(d) annually after that date but shall not make a determination after December 31, 1993.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.785 Report of costs and benefits.

Sec. 15. Beginning October 1, 1993, and on October 1 every 2 years after 1993, the Michigan enterprise zone authority and the department of treasury jointly shall prepare and submit to the respective committees of the senate and house of representatives responsible for matters concerning taxation and housing an in-depth analysis of the costs and benefits of this act and its impact on neighborhood revitalization in the local governmental units where it has been utilized. This report shall include specific recommendations for any changes considered necessary in this act.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.786 Rules.

Sec. 16. The commission may promulgate rules it considers necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1992, Act 147, Imd. Eff. July 16, 1992.

207.787 Repealed. 2001, Act 217, Imd. Eff. Dec. 28, 2001.

Compiler's note: The repealed section pertained to issuance of certificate after December 31, 2002.

NEIGHBORHOOD ENTERPRISE ZONE MILLAGE RATES

<u>NON HOMESTEAD RATE</u>	<u>LESS 18 MILLS FOR HOMESTEAD RATE</u>	<u>NEZ TAX RATE (1/2 HOMESTEAD RATE)</u>
1994 - 49.08	for 1995 = 31.08	15.54
1995 - 49.81	for 1996 = 31.81	15.91
1996 - 50.85	for 1997 = 32.85	16.43
1997 - 50.51	for 1998 = 32.51	16.26
1998 - 50.36	for 1999 = 32.36	16.18
1999 - 50.43	for 2000 = 32.43	16.22
2000 - 50.82	for 2001 = 32.82	16.41
2001 - 51.41	for 2002 = 33.41	16.71
2002 - 52.04	for 2003 = 34.04	17.02
2003 - 50.92	for 2004 = 32.92	16.46

Current Tax Rate is based on the previous years data for what was levied.

The current millage rates are replaced by $\frac{1}{2}$ the State Wide Average Homestead Rate as determined by the Assessment & Certification Division on an annual basis.